

Singapore Exchange Limited 1Q FY2009 Financial Results

15 October 2008

1Q FY2009 Financial Performance



- **NPAT fell 35% from record 1Q FY2008**
- **Operating profit flat compared to 4Q FY2008**
- **Strong growth in net derivatives clearing revenue**
- **Expenses fell with lower variable bonus provision**
- **Operating leverage improved to 157%**

Q1 FY09 vs Q1 FY08–Drop from record quarter



In (S\$M)	1Q FY09	1Q FY08	Y-o-Y Change
Securities Market Revenue	74.4	141.1	47.3% ↓
Net Derivatives Clearing Revenue	46.1	37.3	23.6% ↑
Stable Revenue	37.7	41.2	8.6% ↓
Operating Revenue	158.2	219.7	28.0% ↓
Operating Expenses	53.4	58.3	8.3% ↓
Operating Profit	104.8	161.4	35.0% ↓
Other gains/ (losses)	(1.6)	(1.0)	NM
Net Profit after tax	84.5	130.0	35.0% ↓
ROE in % (quarterly figure)	9.1*	21.3	12.2% ↓

* The 1Q FY2009 ROE figure is relatively lower compared to 1Q FY2008 because of the later timing of this year's Annual General Meeting of which the final dividend for FY2008 was approved. If the proposed dividend had been removed from the equity base as per 1Q FY2008, the ROE would be 13.6%.

Q1 FY09 vs Q4 FY08 – Flat operating profit



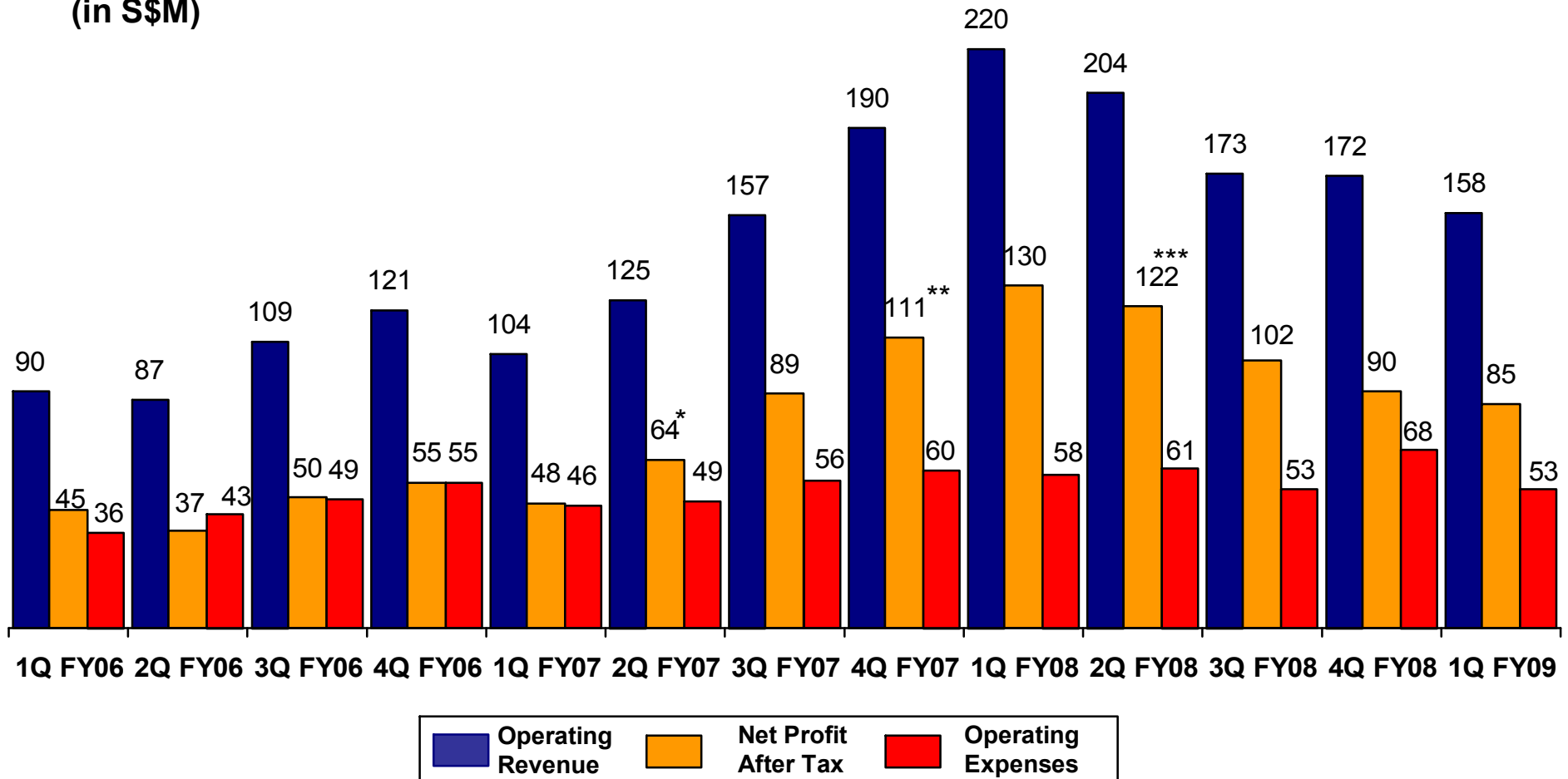
In (S\$M)	1Q FY09	4Q FY08	Q-o-Q Change
Securities Market Revenue	74.4	90.2	17.5% ↓
Net Derivatives Clearing Revenue	46.1	41.4	11.4% ↑
Stable Revenue	37.7	40.4	6.8% ↓
Operating Revenue	158.2	172.0	8.0% ↓
Operating Expenses	53.4	68.4	21.9% ↓
Operating Profit	104.8	103.7	1.1% ↑
Other gains/ (losses)	(1.6)	4.3	NM
Net Profit after tax	84.5	90.4	6.5% ↓
ROE in % (quarterly figure)	9.1*	10.1	1.0% ↓

* The 1Q FY2009 ROE figure is relatively lower compared to 1Q FY2008 because of the later timing of this year's Annual General Meeting of which the final dividend for FY2008 was approved. If the proposed dividend had been removed from the equity base as per 1Q FY2008, the ROE would be 13.6%.

Financial Highlights



(in S\$M)



* Excludes the S\$45.0 million write-back of allowance for impairment on SGX Centre

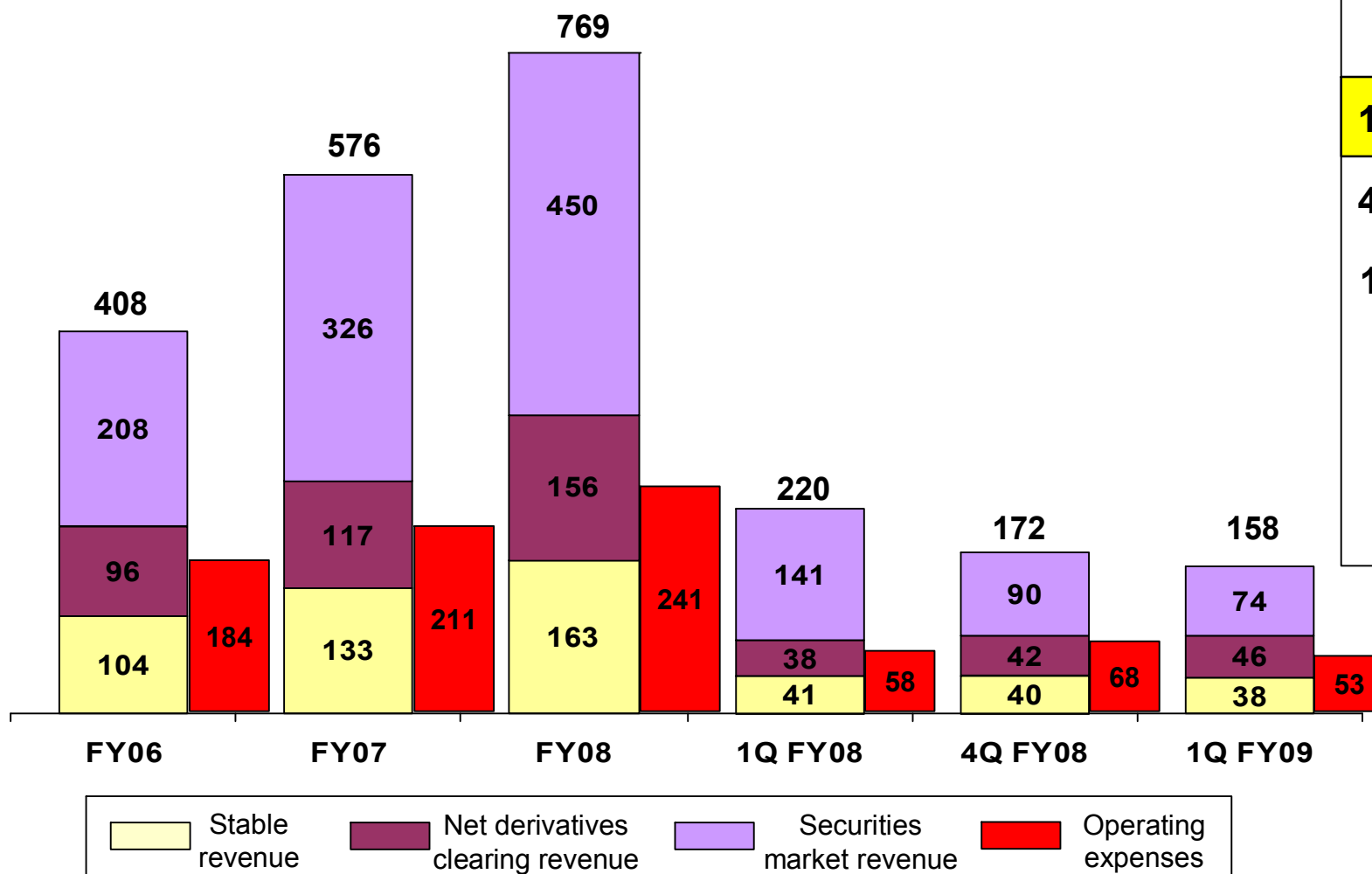
** Excludes the S\$65.5 million gain on disposal of SGX Centre

*** Excludes the S\$34.0 million distribution from SGX-DT Compensation Fund

Operating Leverage



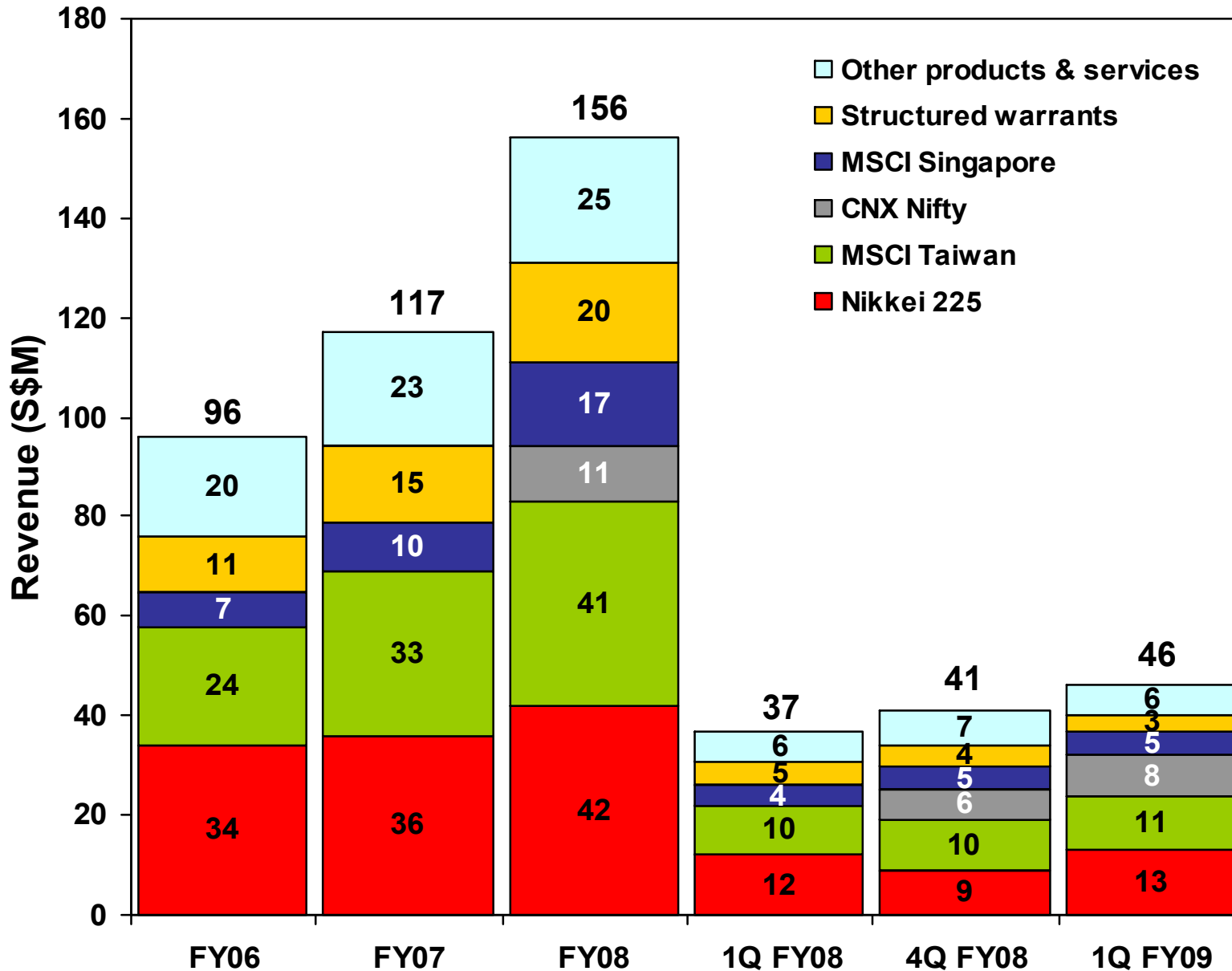
(in S\$M)



Operating Leverage*
1Q FY09 – 157%
4Q FY08 – 120%
1Q FY08 – 135%
FY08 – 132%
FY07 – 119%
FY06 – 108%

* Operating Leverage = Coverage of total operating expenses by derivatives revenue and stable revenue

Derivatives Revenue

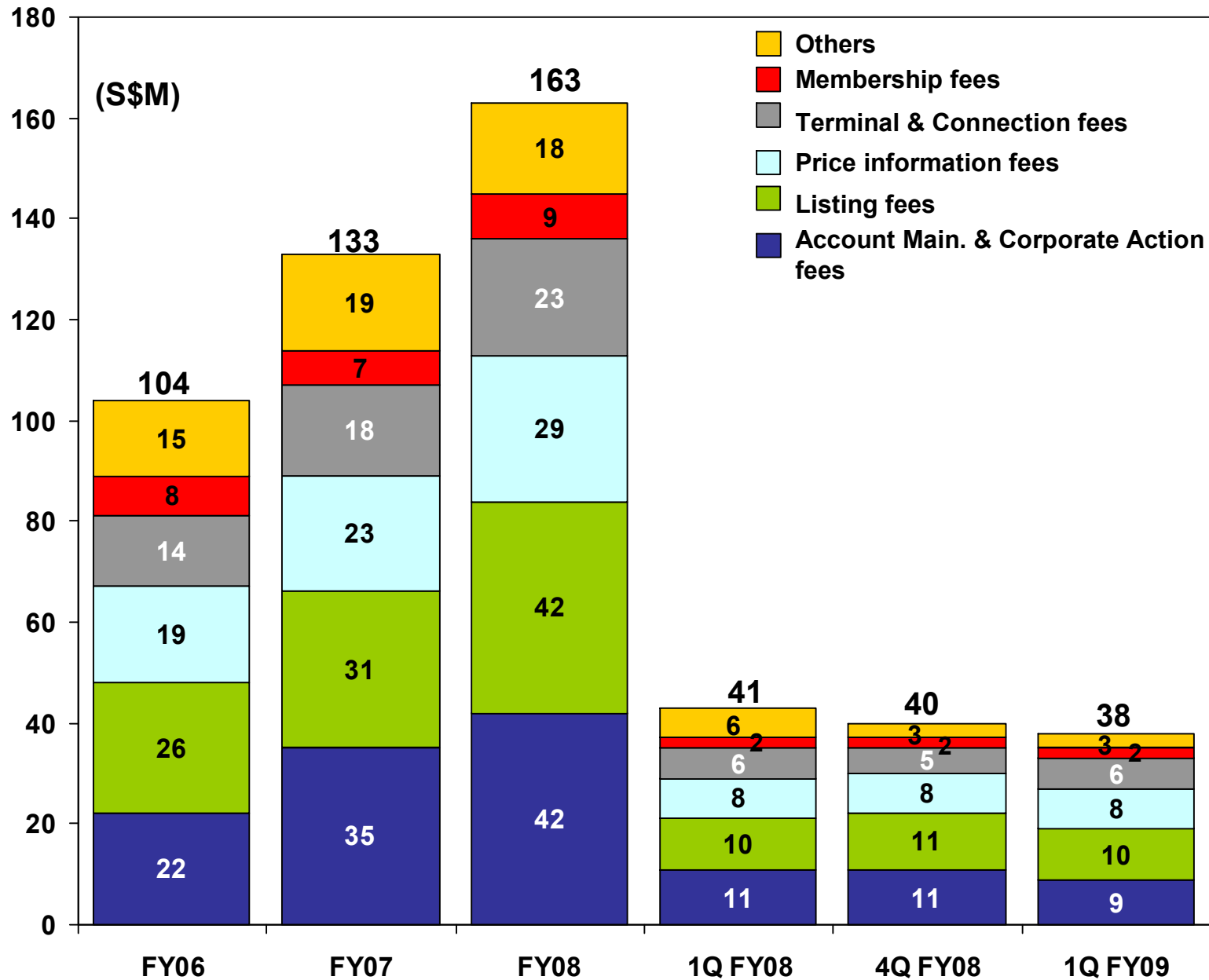


1Q FY09-on-
4Q FY08

11%

**21% increase in
futures trading
volume**

Stable Revenue

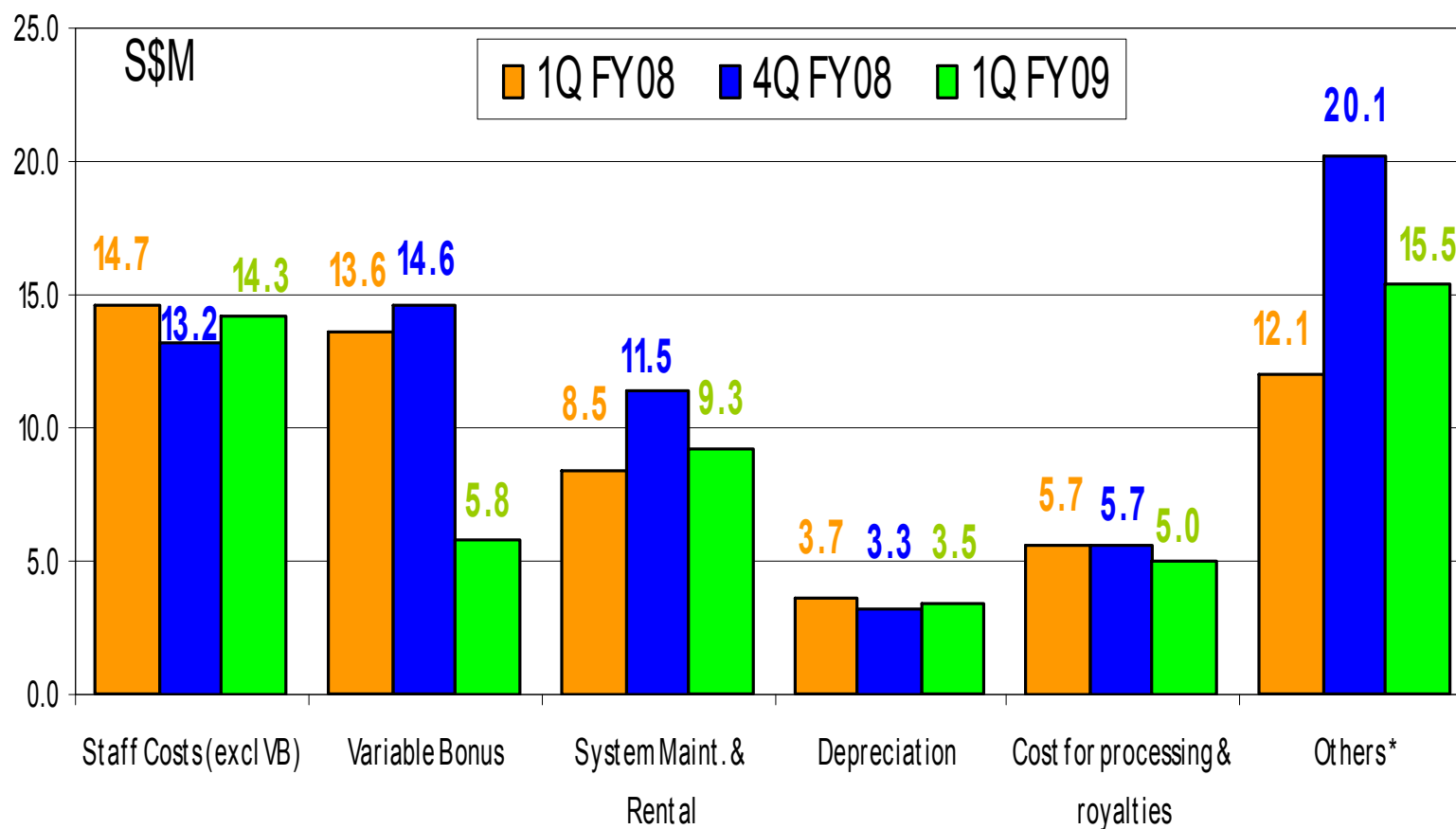


1Q FY09-on-4Q FY08

↓ 7%

20% decrease in account maintenance & corporate action fees

Operating Expenses – Highlights



1Q FY09-on-4Q FY08

 **22%**

61% decrease in variable bonus

* includes share-based payment expense, rental and maintenance of premises, professional charges, marketing & travelling, communication charges, fees to MAS for transfer of participant supervision function, net foreign exchange loss/gain, net loss on disposal of property, plant and equipment and software, and other operating expenses.

Performance at a Glance

	FY2006	FY2007*	FY2008**	1Q FY2009
Return on Equity	32.0%	37.5%	49.7%	36.4%***
Cost-to-Income	45.1%	36.6%	31.2%	33.7%
Net Profit Margin	44.6%	52.5%	56.8%	53.9%
Regular dividend (Net)	16.2	36.0	38.0	
- Base (cents per share)	6.0	8.0	12.0	3.5
- Variable (cents per share)	10.2	28.0	26.0	

* FY2007 figures exclude the writeback of allowance for impairment on SGX Centre and gain on disposal of SGX Centre

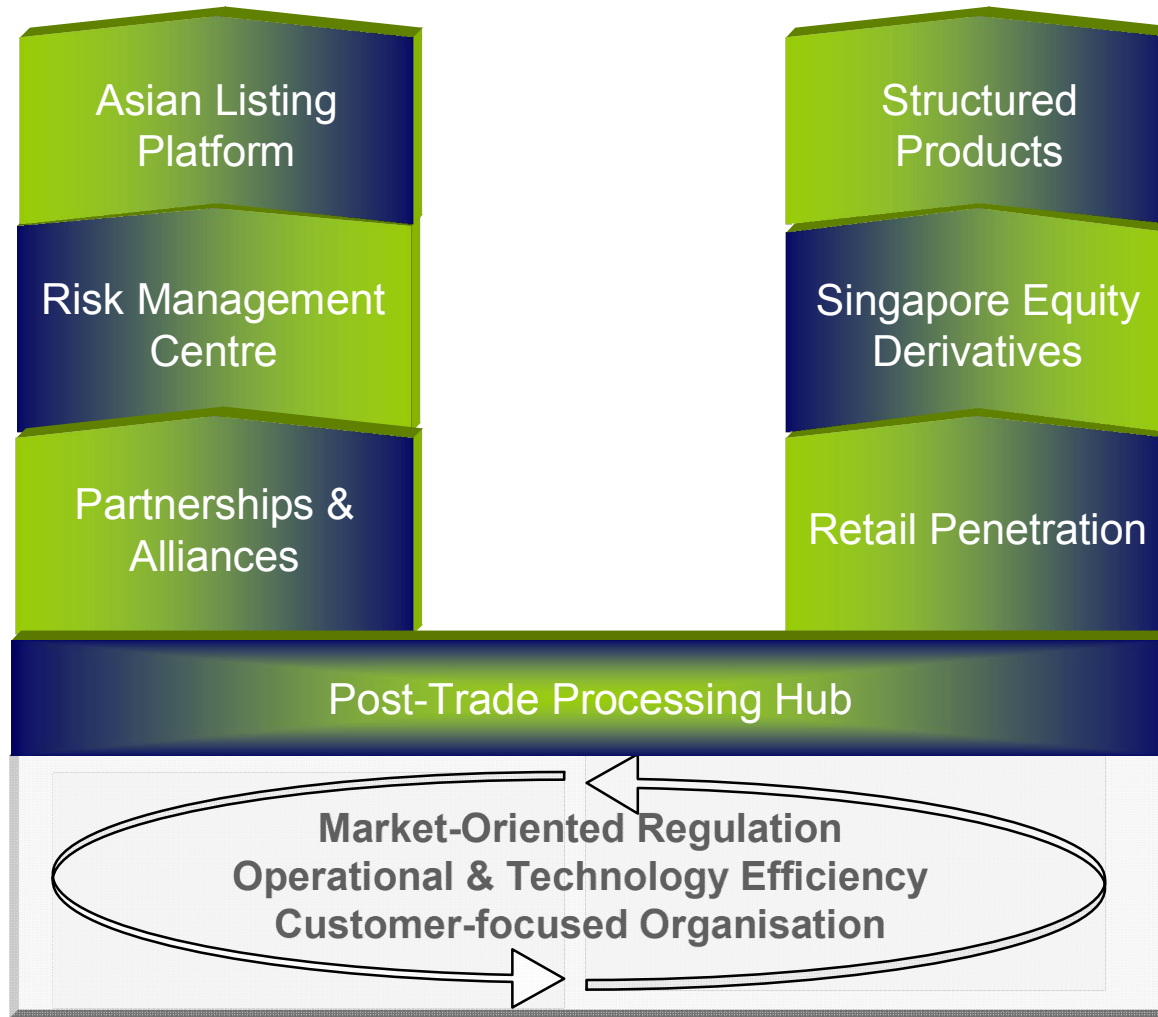
** FY2008 figures exclude distribution from SGX-DT Compensation Fund

*** Annualised figure. The 1Q FY2009 ROE figure is relatively lower compared to 1Q FY2008 because of the later timing of this year's Annual General Meeting of which the final dividend for FY2008 was approved. If the proposed dividend had been removed from the equity base as per 1Q FY2008, the ROE would be 13.6%. The annualised ROE would be 54.4%

Building An Enduring Marketplace

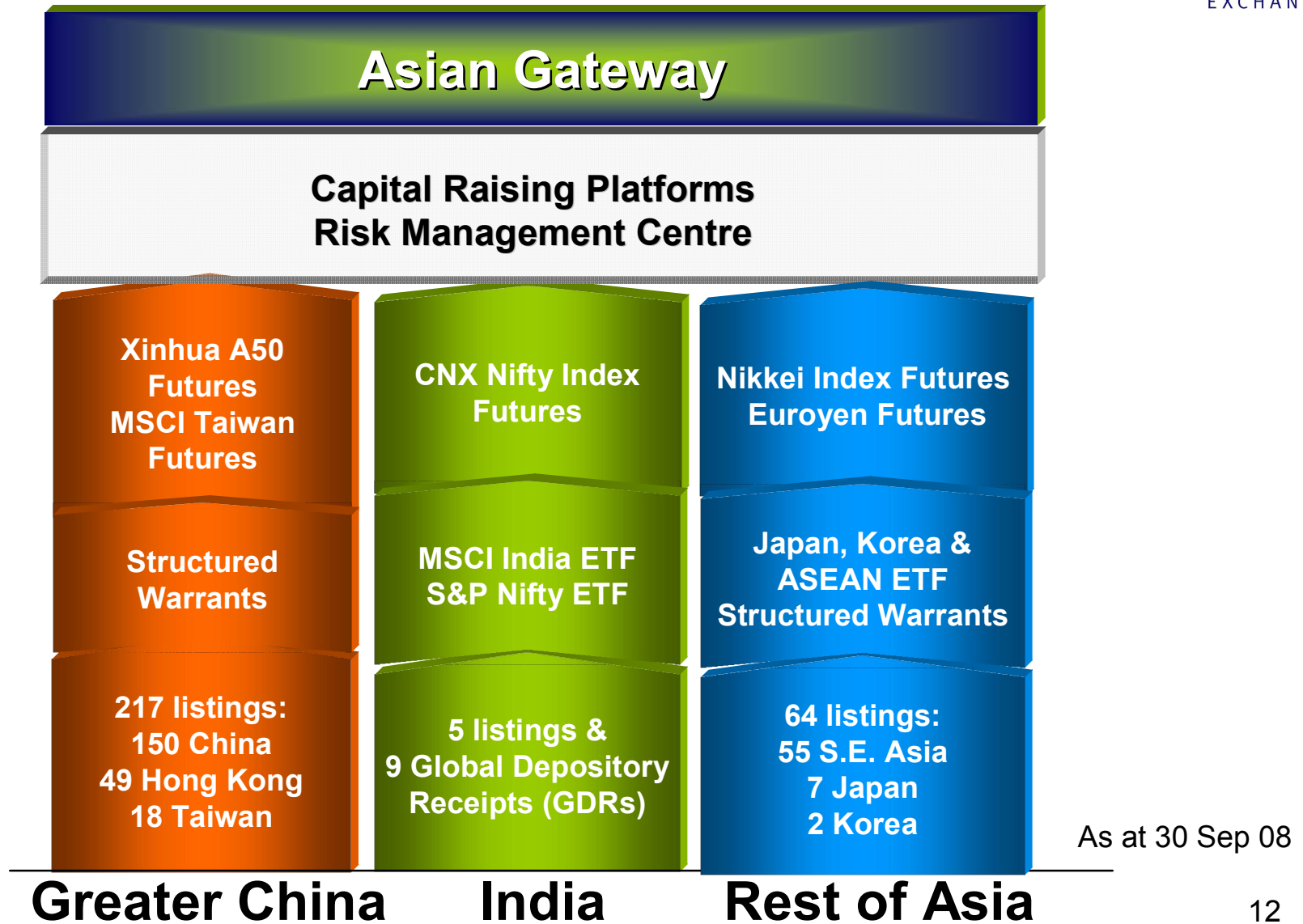
Asian Gateway

Domestic Growth

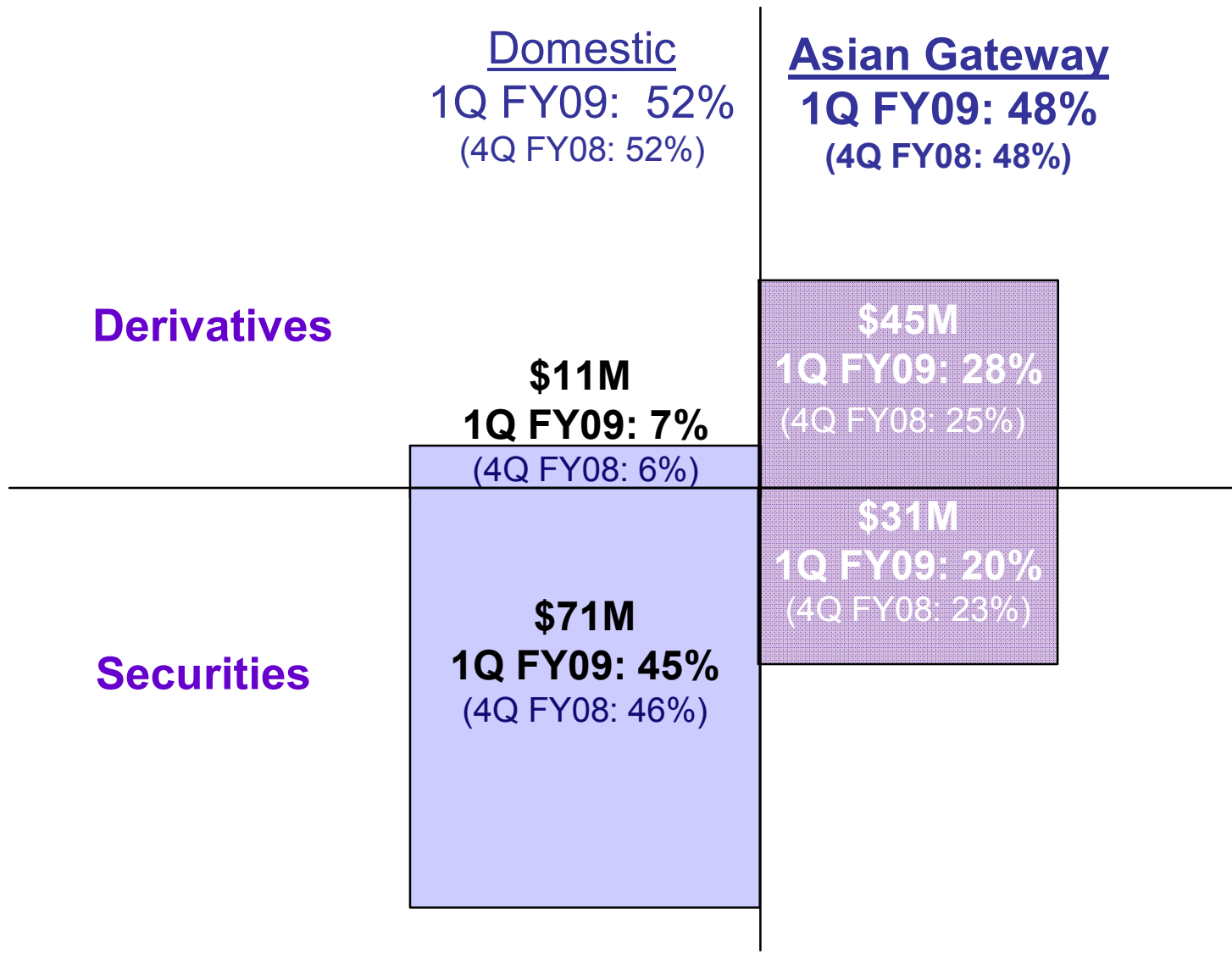


Delivery Excellence

Connections of the Asian Gateway



Asian Gateway

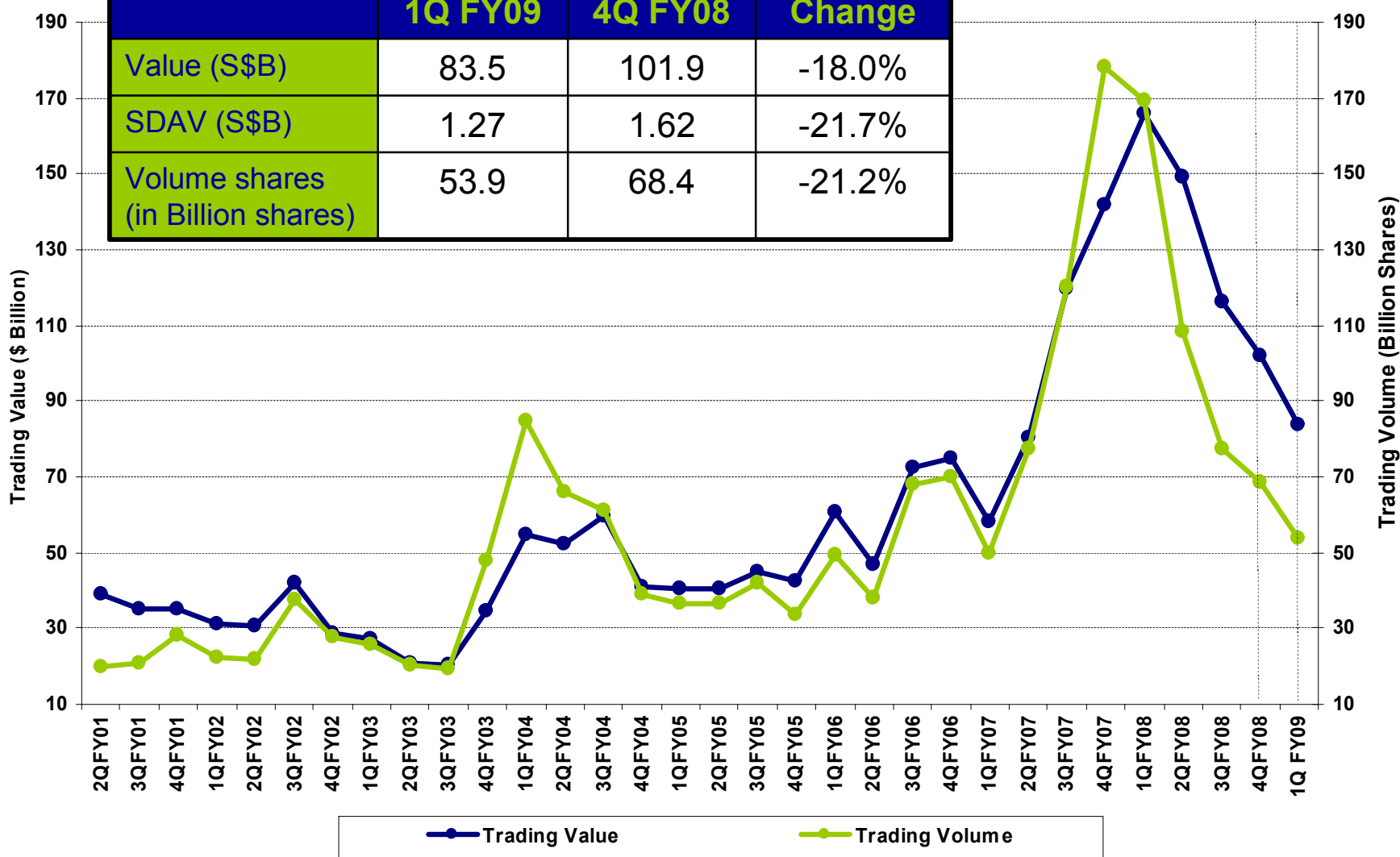


* Internal estimates

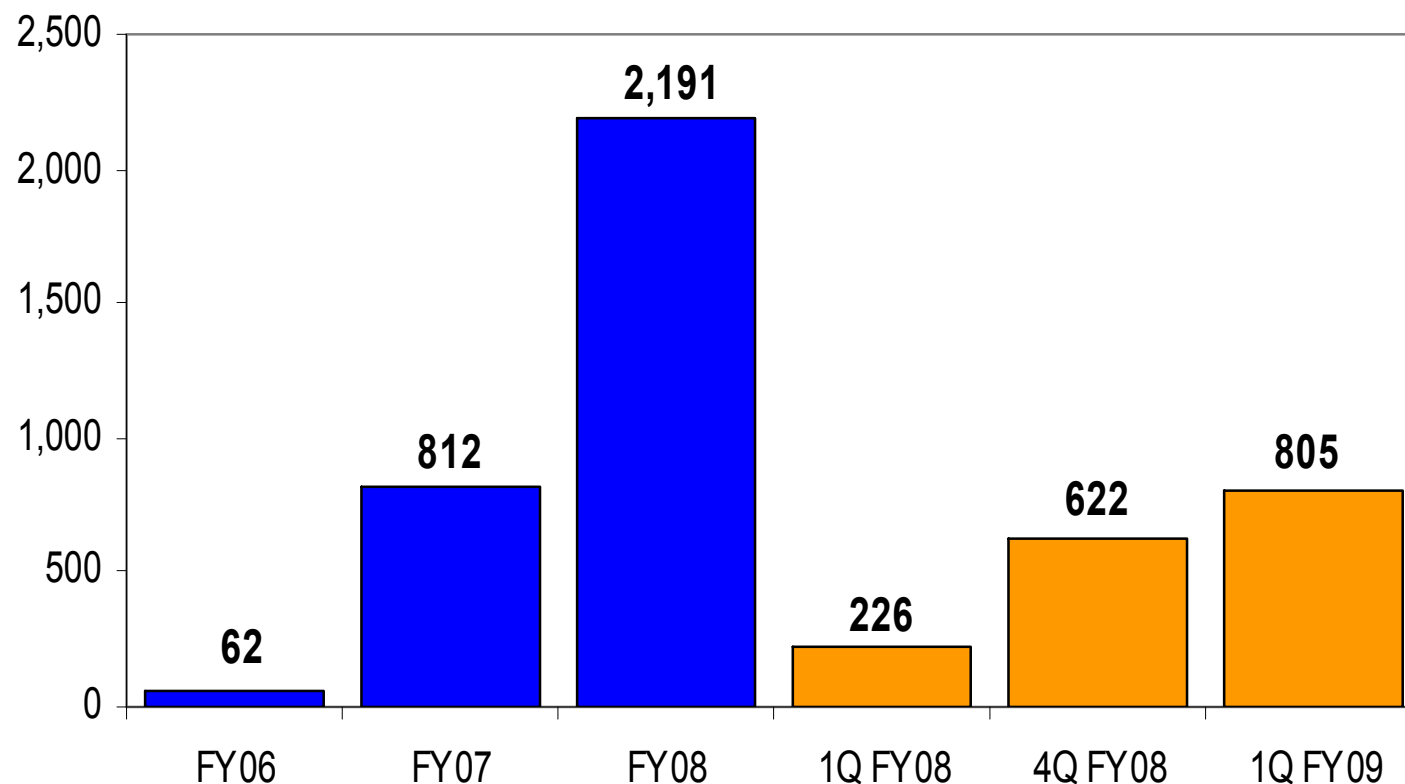
Securities Trading Activity




	1Q FY09	4Q FY08	Change
Value (S\$B)	83.5	101.9	-18.0%
SDAV (S\$B)	1.27	1.62	-21.7%
Volume shares (in Billion shares)	53.9	68.4	-21.2%



Market Access Products - ETFs

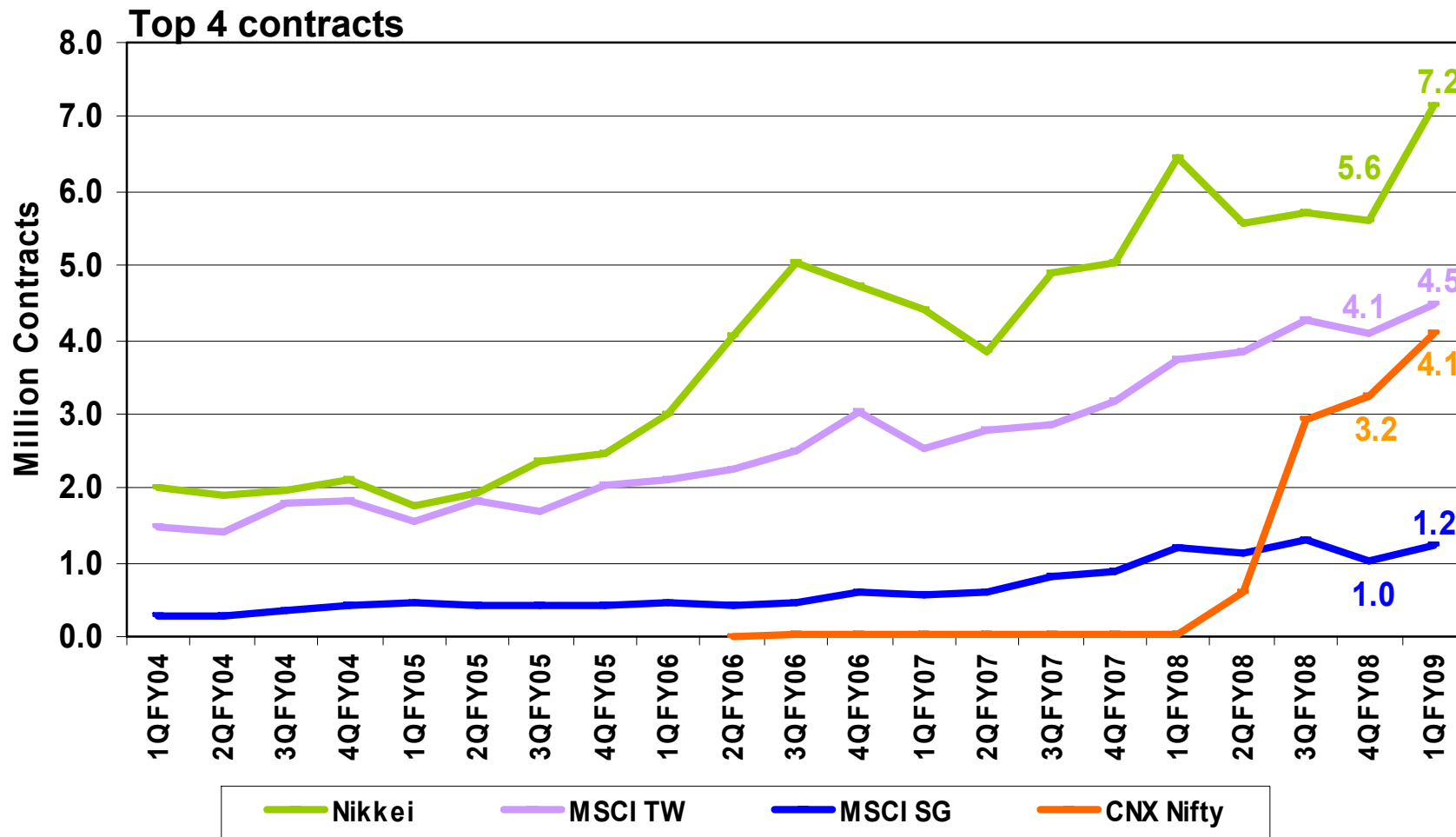


- Traded value of ETFs:  **277%**
- Jan to Sep 2008: S\$2.2B
- Jan to Sep 2007: S\$584M

Currently, the 19 SGX-listed ETFs offer exposure to: Greater China, India, Hong Kong, Japan, Korea, ASEAN, Taiwan, Gold, Commodities

Growth in Futures Volumes

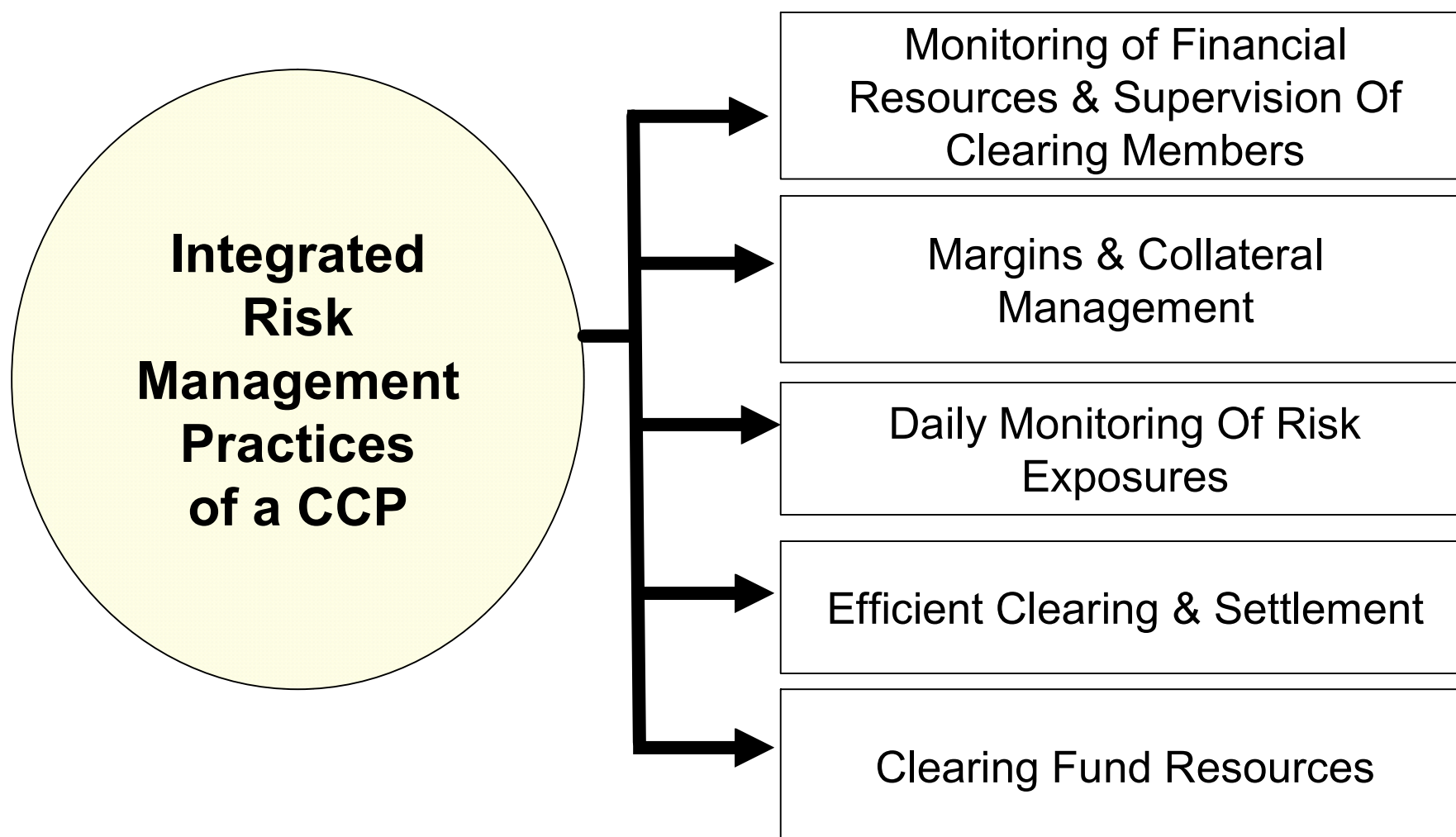
	1Q FY09	4Q FY08	1Q FY09 -on- 4Q FY08
Total contracts (in millions)	17.4	14.4	20.5% ↑



Single Stock Derivatives

- **Target launch: November 2008**
- **SSDs are forward contracts traded on the SGX with a 35-day cycle. Also known as “Extended Settlement (ES) contracts”**
- **ES contracts on 50 stocks initially (both index and non-index stocks)**
- **Margins of up to 5 to 20% of contract value**
- **Targeted at retail investors who can now long and short selected stocks listed on SGX with this product**
- **To plug the gap in the domestic derivatives revenue (7% of total revenues in 1Q FY2009)**

Integrated Risk Management Practices of SGX as a Central Counterparty (CCP)



Summary

- ✓ **Derivatives market**
 - Robust growth in derivatives market
 - Single stock derivatives to be introduced in November 2008

- ✓ **Securities market**
 - SDAV above S\$1 billion/ day

- ✓ **Financials**
 - Cost management

- ✓ **Other Key Developments**
 - SGX Prime launched on 13 October 2008
 - Technology refresh